

Message Text

CONFIDENTIAL

PAGE 01 STATE 085448

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ORIGIN NEA-10

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O R 090050Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY AMMAN IMMEDIATE

INFO AMEMBASSY JIDDA

USCINCEUR

C O N F I D E N T I A L STATE 085448

E.O. 11652: GDS

TAGS: PFOR, MASS, JO, US

SUBJECT: KING HUSSEIN'S APRIL 6 PRESS CONFERENCE IN
LOS ANGELES

REF: AMMAN 1885

1. WE HAVE NO TRANSCRIPT OF KING HUSSEIN'S APRIL 6 PRESS
CONFERENCE IN LOS ANGELES. HOWEVER, LOS ANGELES TIMES, IN
REPORTING KING'S PRESS CONFERENCE ON APRIL 7, CARRIED
FOLLOWING ACCOUNT OF HIS REMARKS ON HAWK/VULCAN PROGRAM
(UNDER HEADLINE: "\$350 MILLION JORDAN-U.S. ARMS DEAL HAS
BEEN 'BLOWN, VERY SADLY' - KING HUSSEIN");

2. BEGIN TEXT: KING HUSSEIN OF JORDAN SAID TUESDAY THAT
HIS COUNTRY'S EFFORTS TO BUY HAWK ANTIAIRCRAFT MISSILES
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 085448

FROM THE UNITED STATES HAD COLLAPSED.

HUSSEIN TOLD REPORTERS AT THE BEVERLY WILSHIRE HOTEL THAT THE CONTROVERSIAL \$350 MILLION ARMS DEAL, APPROVED LAST YEAR BY A RELUCTANT CONGRESS, HAS BEEN "BLOWN, VERY SADLY," BECAUSE SAUDI ARABIA HAS WITHDRAWN ITS FINANCIAL BACKING. HUSSEIN, WINDING UP HIS WEEK-LONG U.S. TOUR WITH AN OVER-NIGHT STOP IN LOS ANGELES, TOLD REPORTERS THAT JORDAN OWES

\$12 MILLION FOR WEAPONS ALREADY MANUFACTURED UNDER THE AGREEMENT.

"AS SOON AS WE KNOW WHAT THE FINAL SAUDI POSITION IS ON WHAT THEY ARE ABLE TO GIVE US, WE WILL SETTLE THAT (DEBT)," HE SAID.

HUSSEIN SAID THE 14 HAWK MISSILE BATTERIES AND 100 VULCAN ANTI-AIRCRAFT GUNS IN THE ARMS PACKAGE STILL ARE ESSENTIAL AS A "BASIC MINIMUM" AIR DEFENSE SYSTEM FOR JORDAN.

HUSSEIN DID NOT FORECLOSE THE POSSIBILITY THAT OTHER FINANCING MIGHT BE FOUND. END TEXT.

3. AMBASSADOR PICKERING, WHO WAS PRESENT AT THE PRESS CONFERENCE, BELIEVES THAT THE STATEMENT MADE ABOUT THE DEAL BEING "BLOWN" WAS DONE IN HASTE AND THAT FOR THE REMAINDER OF HIS ANSWER, HUSSEIN WORKED TO PUT THE QUESTION IN PERSPECTIVE. PICKERING REPORTS THAT HUSSEIN CLEARLY DOES NOT CONSIDER THE QUESTION OF SAUDI FINANCING CLOSED. HE HAS ALSO CHOSEN NOT TO TRY TO PUT THE FINGER ON THE U.S. IN HIS STATEMENTS, ALTHOUGH HE HAS BEEN LESS THAN CLEAR IN PUBLIC ABOUT THE REASONS WHY AND THE PROCESS WHEREBY THE PRICE OF THE TOTAL AIR DEFENSE PACKAGE IS ESTIMATED AT OVER DOLS 700 MILLION.

4. WE BELIEVE IT HIGHLY ESSENTIAL THAT EMBASSY AVOID COMMENTING SUBSTANTIVELY ON KING'S ALLEGED REMARKS. YOU SHOULD RESPOND TO ALL INQUIRIES BY SAYING THAT YOU HAVE NOT SEEN TRANSCRIPT OF HIS STATEMENTS IN LOS ANGELES AND THAT YOU ARE IN NO POSITION TO COMMENT ON THEM.

CONFIDENTIAL

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PAGE 03 STATE 085448

5. FOR YOUR INFORMATION ONLY, FOLLOWING IS PRESS GUIDANCE WE HAVE PREPARED FOR USE BY DEPT SPOKESMAN IN RESPONDING TO POSSIBLE QUERIES ON THIS SUBJECT:

BEGIN TEXT:

Q. IS IT TRUE, AS KING HUSSEIN SAID TWO DAYS AGO IN LOS ANGELES, THAT THE HAWK DEAL HAS FAILED AND THAT JORDAN WILL

NOW TURN ELSEWHERE FOR SUCH MISSILES?

A. WE HAVE NOT SEEN A TRANSCRIPT OF THE REMARKS ATTRIBUTED TO KING HUSSEIN IN LOS ANGELES, AND I AM IN NO POSITION TO COMMENT ON THEM. YOU MAY RECALL, HOWEVER, THAT HIS MAJESTY, IN HIS TELEVISED APPEARANCE ON "ISSUES AND ANSWERS" ON APRIL 4, STATED THAT JORDAN IS TRYING TO WORK OUT FINANCIAL ARRANGEMENTS FOR THE PURCHASE OF U.S. AIR DEFENSE EQUIPMENT WITH THE SAUDIS. AS FAR AS WE ARE CONCERNED, THE TRANSACTION IS STILL VERY MUCH ALIVE, ALTHOUGH THE FINANCIAL ARRANGEMENTS HAVE PROVED MORE COMPLICATED AND TIME-CONSUMING THAN WE ORIGINALLY ANTICIPATED.

Q. WHEN DO YOU THINK THAT ALL THIS WILL BE SORTED OUT?

A. WE ARE CONTINUING OUR DISCUSSIONS WITH JORDAN AND SAUDI ARABIA ABOUT IMPLEMENTATION OF THIS AIR DEFENSE PROGRAM, FOR WHICH LETTERS OF OFFER PERTAINING TO U.S. EQUIPMENT WERE SIGNED SOME MONTHS AGO. I WOULDN'T WANT TO MAKE AN EXACT PREDICTION OF WHEN THESE DISCUSSIONS WILL BE COMPLETED.

Q. HAS THERE BEEN A SHUTDOWN IN RAYTHEON'S PRODUCTION OF HAWK MISSILES FOR JORDAN?

A. I UNDERSTAND THAT RAYTHEON'S PRODUCTION OF CERTAIN ITEMS INVOLVED IN THE SALE OF THE HAWK SYSTEM TO JORDAN HAS BEEN INTERRUPTED.

Q. DOESN'T THIS MEAN THAT THE HAWK DEAL WITH JORDAN IS IN TROUBLE OR EVEN IN DANGER OF COLLAPSING?

A. IT MEANS THAT WE HAVE HAD TO INTERRUPT PRODUCTION OF CONFIDENTIAL

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PAGE 04 STATE 085448

CERTAIN ITEMS PENDING COMPLETION OF FUNDING ARRANGEMENTS. THE CONTRACT BETWEEN DOD AND RAYTHEON UNDER WHICH THAT PRODUCTION WAS BEING CARRIED OUT REMAIN IN FORCE, AS DO THE RELEVANT U.S. LETTERS OF OFFER PREVIOUSLY ACCEPTED BY THE JORDANIAN GOVERNMENT.

Q. WHAT IS THE PRECISE NATURE OF THIS FUNDING PROBLEM? IS IT A PROBLEM BETWEEN THE USG AND RAYTHEON, OR BETWEEN RAYTHEON AND THE JORDANIANS, OR WHAT?

A. I WOULD ONLY SAY THAT THE QUESTION OF FUNDING HAS PROVED TO BE MORE COMPLICATED THAN ANYONE HAD FORESEEN. I DO NOT WISH TO GO INTO FURTHER DETAIL.

Q. IS IT TRUE THAT KING HUSSEIN HAS THREATENED TO GO TO

THE RUSSIANS FOR HIS AIR DEFENSE SYSTEM BECAUSE SAUDI ARABIA WILL ONLY PAY \$300 MILLION FOR THE HAWK PACKAGE WHICH WILL COST \$800 MILLION?

A. I AM NOT GOING TO GET INTO A DISCUSSION OF THE COSTS OF THE JORDANIAN AIR DEFENSE SYSTEM, SINCE THE FIGURES ARE CLASSIFIED (AT JORDANIAN REQUEST). BUT I WILL NOTE THAT THE COST OF JORDAN'S IMPROVED-HAWK PROGRAM HAS NOT CHANGED SIGNIFICANTLY SINCE THE LETTER OF OFFER WAS SIGNED. THE IMPROVED-HAWK IS ONLY ONE PART OF THAT SYSTEM WHICH ALSO INCLUDES VULCAN GUNS, COMMAND AND CONTROL FACILITIES,

REDEYE MISSILES AND A WHOLE RANGE OF SUPPORT EQUIPMENT, TRAINING AND CONSTRUCTION. NONE OF THESE ITEMS HAS CHANGED SIGNIFICANTLY IN COST EITHER. IT IS INCORRECT TO IDENTIFY THE COST OF THE IMPROVED-HAWK COMPONENT WITH THE OVERALL COST OF JORDAN'S WHOLE AIR DEFENSE PROGRAM. SISCO

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